

Community welfare; reduction of vehicle deaths and injuries.

A nonprofit organization formed to initiate and develop plans and programs to reduce vehicle deaths and injuries by providing free expert opinions to local government officials regarding hazardous traffic conditions in the community and conducting programs designed to inform the public about traffic safety qualifies for exemption under section 501(c)(3) of the Code.

Advice has been requested whether the nonprofit organization described below, which otherwise qualifies for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954, is operated exclusively for charitable and educational purposes.

The organization was formed to initiate and develop plans and programs to reduce vehicle deaths and injuries. It is governed by a board of directors that consist of individuals from various segments of the public at large. To accomplish its objective, the organization provides local government officials, upon their request, with free expert opinions regarding the existence of hazardous traffic conditions in their particular communities. This service is performed by a staff of experts hired by the organization, and is designed to locate and identify traffic conditions that could lead to harmful accidents. After the organization has conducted an analysis of traffic conditions in a community, it prepares a formal report detailing the existence of any hazardous conditions, and the dangerous effect that may be expected to result if the conditions are not corrected. This report also recommends ways in which the hazardous conditions may be remedied.

In addition to providing the services described above, the organization conducts for community groups lectures and other programs that are designed to inform the public on how to be alert and safe drivers and pedestrians. It also distributes free of charge pamphlets and brochures that explain how to recognize certain hazardous traffic conditions and how they may be corrected.

The income of the organization is derived from contributions from the general public.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for charitable or educational purposes.

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations states that the term 'charitable' is used in its generally accepted legal sense, and includes lessening of the burdens of government.

Section 1.501(c)(3)-1(d)(3) of the regulations defines the

term 'educational' as including the instruction of the public on subjects useful to the individual and beneficial to the community.

The performance of certain services for the benefit of Federal, state, or local governments has been recognized as a charitable activity. See Rev. Rul. 71-99, 1971-1 C.B. 151. Traffic control and safety are universally recognized as a governmental responsibility. By providing expert opinions to local government officials regarding the existence of hazardous traffic conditions in their communities, the organization is lessening the burdens of government and thus is engaged in a charitable activity within the meaning of the regulations. See Rev. Rul. 70-79, 1970-1 C.B. 127. Moreover, the lectures and other programs conducted by the organization as well as the distribution of materials relating to hazardous traffic conditions are educational, since they are designed to instruct the public on a subject useful to the individual and beneficial to the community.

Accordingly, the organization qualifies for exemption from Federal income tax under section 501(c)(3) of the Code as a charitable and educational organization.

Even though an organization considers itself within the scope of this Revenue Ruling, it must file an application on Form 1023, Application for Recognition of Exemption, in order to be recognized by the Service as exempt under section 501(c)(3) of the Code. The application should be filed with the District Director of Internal Revenue for the district in which is located the principal place of business or principal office of the organization. See sections 1.501(a)-1 and 1.508-1(a) of the regulations.